

FY 2003 – FY 2004 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-15
SMC Production
Performance Incentive Short Title:
Revision Number & Date: Revision 4, December 18, 2003
Maximum Available Incentive Fee: \$5.2M (\$2.6M/FY 03 & 04)
Performance Incentive Type: ☒ Base ☐ Stretch ☐ Superstretch
☒ Annual ☐ Multi-year
Duration: ☒ Completion ☐ Progress ☒ Provisional
Fee Payment Type:
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

<input type="checkbox"/> Outcome #1 Operational Excellence	<input type="checkbox"/> Outcome #4 INEEL Revitalization
<input checked="" type="checkbox"/> Outcome #2 Mission Accomplishment	<input type="checkbox"/> Outcome #5 Leadership
<input type="checkbox"/> Outcome #3 Integrate R&D and Operations	

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY03 through FY04. Identify associated PBS # for each performance measures as appropriate.

Measure 1: Complete AU (FY-03 ~ FY-04)

Expectation 1: Complete AU per separate classified document. This is a base fee measure with 10% of total fee assigned to this measure for FY-03 and 5% for FY-04. Milestone date for completion is 9/30/03 for FY-03 and 9/30/04 for FY-04.

Measure 2: Complete 679/679A (FY-03)

Expectation 2: Complete 679/679A HEG reviews by the milestone date of 3/24/03. This is a base fee measure with 20% of total fee assigned to this measure.

Measure 3: Complete Turnover (FY-03)

Expectation 3: Complete and pass the Facility Acceptance Review of 679/679A by the milestone date of 06/18/2003. This is a base fee measure with 25% of total fee assigned to this measure.

Measure 4: Complete Waste Disposal (FY-03)

Expectation 4: Complete disposal of all legacy waste in all waste categories at SMC by September 30, 2003. All waste on inventory by June 1, 2003 will have been packaged and paperwork ready to ship by July 1, 2003 and disposed of by September 30, 2003. This is a base fee measure with 15% of total fee assigned to this measure.

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Measure 5: Leadership Excellence (FY-03 ~ FY-04)

Expectation 5: Demonstrate leadership in managing SMC programmatic activities to achieve safe and cost-effective completion of defined workscope, and to exceed customer expectations. This is a base fee measure with 10% of total fee assigned to this measure for FY03 and 42% of the total fee assigned to this measure for FY04.

Measure 6: Provisional Fee for progress towards “Start P1” (FY-03)

Expectation 6: Satisfactory progress as measured by meeting the milestone dates for “Measure 2 and Measure 3”. This fee is a provisional fee for progress towards “Start P1” which has a milestone date of 03/09/2004 and 20% of total fee assigned to this measure for FY03. This fee payment will be returned to DOE-ID if the “Start P1” milestone date is not met.

Measure 7: Start P1 (FY04)

Expectation 7: Perform final delivery to Site 4A1 for Start P1 by milestone date of 03/09/04. Missing the milestone date of 03/09/04 for successful completion of requirements described in separate classified document for Start P1 results in paying back of provisional fee paid in FY01, FY02, and FY03.

Measure 8: Complete FAD (FY04)

Expectation 8: Complete FAD and continue delivery of units with 100% quality acceptance per agreed upon schedule dates. This is a base fee measure for FY-04 with total fee assigned to this measure to be \$1.248M or 48% of total fee available. Fee will be based upon units delivered with 100% quality acceptance. To earn 100% of fee for this measure, produce 45 units. Fee earned will be reduced with a decreasing scale of \$20.8K per unit (1 2/3%) for each unit under 45 and no fee earned for producing 5 or less units. For example, to earn 80% of fee for this measure will require 33 units (\$998.4K), 60% of fee for this measure will require 21 units (\$748.8K), 40% of fee for this measure will require 9 units (\$499.2K), and 35% of fee for this measure will require 6 units (\$436.8K), and 0% of fee for this measure earned for 0 to 5 units produced.

Measure 9: Complete Classified Waste Disposal (FY04)

Expectation 9: Dispose of all radioactive classified waste on inventory 11/01/03 by milestone date 09/30/04. Classified waste inventory includes all 2 inch and 4 inch billets, classified scrap and classified parts that are contaminated and are designated as waste material. Disposal or disposition will mean 100% of inventory shipped and accepted by repository for final disposal or by transfer of ownership to any other entity for reuse. This is a base fee measure with 5% of total fee assigned to this measure.

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Measure	Expectation	% Of Fee	Milestone Date	Additional Information
1. Complete AU	Complete AU	10% 5%	09/30/03 09/30/04	See separate classified document
2. Complete 679/79A	Complete by: Milestone Date – 100%	20%	03/24/03	See separate classified document
3. Complete Turnover	Complete by: Milestone Date – 100%	25%	06/18/03	See separate classified document

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4. Complete Waste Disposal	Complete by: Milestone Date – 100%	15%	09/30/03	Complete disposal of all legacy waste in all waste categories at SMC by September 30, 2003. All waste on inventory by June 1, 2003 will have been packaged and paperwork ready to ship by July 1, 2003 and disposed of by September 30, 2003. For additional information, see separate classified document.
5. Leadership Excellence	Demonstrate Leadership in Management of SMC programmatic activities	10% 42%	09/30/03 09/30/04	SMC management will be evaluated on the basis of excellence in leadership, production, operations, ES&H, security and quality, according to the following schedule: Superior 100% (max fee) Excellent 90% (max fee) Good 70% (max fee) Fair 50% (max fee) Unsatisfactory 0% (max fee) For additional information, see separate document.
6. Provisional Fee for progress towards "Start P1"	Satisfactory progress by meeting the milestone dates for measure 3 & 4	20%	9/30/03	This fee is a provisional fee for progress towards "Start P1" which has a milestone date of 03/09/04.
7. Start P1	Complete by: Milestone Dates	\$0%	03/09/04 Payback of Provisional Fee	See separate classified document for more information and section 3 above. Perform final delivery to Site 4A1 for Start P1 by milestone date of 03/09/04. Missing milestone date of 03/09/04 for successful completion of requirements described in separate classified document for Start P1 results in paying back of provisional fee paid in FY-01, FY-02, and FY-03.
8. Complete FAD	Complete by: Milestone Date	Fee Range of 48% to 0%	09/30/04	See separate classified document for more information. Fee will be based upon units delivered with 100% quality acceptance with 100% (\$1.248K) of fee for this measure earned for 45 units. Fee earned will be reduced with a decreasing scale of \$20.8K per unit (1 2/3%) for each unit under 45 and no fee earned for producing 5 or less units.
9. Complete Classified Waste Disposal	Complete by: Milestone Date - 100%	5%	09/30/04	See section 3 above and separate classified document for more information. Dispose of all radioactive classified waste on inventory 11/01/03 by milestone date 09/30/04.

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *(Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)*

NONE

GENERAL REQUIREMENTS: *(Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

A reduction of 20% of earned fee will be assessed for not completing 380 by 1/30/04 Complete and turn over to operations equipment 380 by 01/30/04.

A reduction of 20% of earned fee will be assessed for not completing detection system by 12/08/03 and for not operating consistently through 4/08/04 or a new SAR will be implemented by 9/30/04. Complete and turn over to operations the Hydrogen Monitoring System by 12/08/03. Prove reliability of the Hydrogen Monitoring System with less than 5% downtime as described in separate classified document by 04/08/04. If Hydrogen Monitoring System is proven unreliable, perform additional safety analysis and implement by 09/30/04.

Cost targets and inventories of finished products, product materials, fuel oil, spare parts, etc. will be TBD at the start of each fiscal year for AU for fiscal year 2003 and fiscal year 2004. If agreed upon work scope is accomplished for less, unearned fee from the tasks above can be earned at the rate of 20 cents for each dollar saved based on a cost reduction not on a budget under-run. Fee earned cannot exceed the total fee available for this incentive. Cost savings may be applied to additional work scope, if agreed to in advance by NE-ID (through Baseline Change Control action). If agreed upon work scope exceeds target costs, earned fee resulting from this measure may be deducted at the rate of a 20 cents for each dollar that target costs are exceeded. All changes to milestones above must be approved by NE-ID (through Baseline Change Control action). A reduction of \$5,000 in earned fee will be assessed for each Security Infraction.

DEFINE COMPLETION: *(Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines, which are approved by the CO.)*

Completion of milestones in sections 3 and 4 above is defined in a separate classified document.

COMPLETE DOCUMENTS LIST: *(List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)*

The funding for this activity is part of BBWI's FY 2003 and FY 2004 DoD and other Federal Agency budget as documented in the approved FY 2003 and FY 2004 Detailed Work Plans. The contractor is required to provide documentation to NE-ID at the end of each fiscal year to verify any fee determination. The NE-ID Chief Financial Office and the SMC NE-ID Program Office will validate through an audit that the documentation and request for fee payment is correct. A validation audit report with a recommendation to the amount of fee to be paid will be provided to the NE-ID Contracting Officer.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

The Specific Manufacturing Capability (SMC) Baseline Change Control board will review all events seen as significant and make recommendations to the contracting officer for contract, budget, and work scope changes.